

COLUMBIA | CHARLOTTE

Belton T. Zeigler

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2008-196-E

November 10, 2014

RECEIVED

The Honorable Jocelyn Boyd Chief Clerk and Administrator Public Service Commission of South Carolina 101 Executive Center Drive Columbia, South Carolina 29210

NOV 12 2014

PSC SC MAIL/DMS

Re: Quarterly Report of SCE&G Concerning Construction of V.C. Summer Nuclear Station Units 2 and 3

Dear Ms. Boyd:

Enclosed please find informational copies of South Carolina Electric & Gas Company's (the "Company" or "SCE&G") Quarterly Report (the "Report") for the period ending September 30, 2014, related to the construction of V.C. Summer Nuclear Station Units 2 and 3 (the "Units"). This Report is being filed with the South Carolina Office of Regulatory Staff ("ORS") pursuant to the Base Load Review Act, S.C. Code Ann. § 58-33-277 (Supp. 2013) and the provisions of Order No. 2009-104(A) of the Public Service Commission of South Carolina (the "Commission").

Because this Report contains certain commercially sensitive information, SCE&G is filing both redacted (Public) and unredacted (Confidential) versions of this Report with the Commission and with ORS. For your convenience, we are providing you with ten (10) copies of the Public version of this Report. SCE&G is also providing one (1) copy of the Confidential version of this Report and is hereby petitioning the Commission to enter a confidentiality order protecting the commercially sensitive information contained therein from disclosure, as set forth below.

The Confidential version of this Report contains confidential information related to the pricing and pricing terms of the Engineering, Procurement and Construction Agreement (the "EPC Contract") between SCE&G and a consortium consisting of Westinghouse Electric Company, LLC and Chicago Bridge & Iron, formerly the Shaw Group, (collectively, the "Contractor"). The EPC Contract contains confidentiality provisions that require SCE&G to protect proprietary information that the Contractor believes to constitute trade secrets and to be commercially sensitive. The Contractor has requested that SCE&G maintain the confidentiality of certain information contained in Appendix 2 and Appendix 3. This confidential information has been redacted from the Public Version of these appendices.

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In keeping with the Contractor's request and the terms of the EPC Contract, SCE&G respectfully requests that the Commission find that the Confidential version of the Report contains protected information and issue a protective order barring the disclosure of certain portions of Appendix 2, and Appendix 3 of the Report under the Freedom of Information Act. S.C. Code Ann. §§ 30-4-10 et seq., 26 S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law, except in its public form. Pursuant to 26 S.C. Code Ann. Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion. Such a ruling in this instance would be consistent with the Commission's prior rulings in Docket No. 2008-196-E, Docket No. 2009-211-E, and Docket No. 2010-376-E. In those dockets, the Commission found, among other things, that the pricing and pricing terms of the EPC Contract are confidential, and issued a protective order barring the disclosure of such information. See e.g., Commission Order Nos. 2008-467, 2008-696, as amended by Order No. 2008-739, 2009-888, and 2010-198 issued in Docket No. 2008-196-E; Commission Order No. 2009-401 issued in Docket No. 2009-211-E; Commission Order Nos. 2010-795, 2011-127, and 2011-177 issued in Docket No. 2010-376-E; and Commission Order Nos. 2012-415, 2012-621 and 2012-623 issued in Docket No. 2012-203-E.

To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, enclosed with this letter are the following:

- 1. A true and correct copy of the Confidential version of the Report in a sealed envelope marked "CONFIDENTIAL." The title page of the Confidential version of the Report is marked "CONFIDENTIAL VERSION" and each page of the Confidential version of the Report is marked "CONFIDENTIAL VERSION."
- 2. Ten copies of a redacted Public version of the Report.

In the event that anyone should seek disclosure of the unredacted Confidential version of the Report, SCE&G respectfully requests that the Commission notify SCE&G of such request and provide it and the Contractor with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Confidential version of this document from disclosure.

If you have any questions regarding these matters, please contact me.

Sincerely,

Belton T. Zeigler

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Enclosures

cc: Anthony James, Director of New Nuclear Development Shannon Bowyer Hudson, Esquire K. Chad Burgess, Associate General Counsel



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Anthony James, Director of New Nuclear Development Office of Regulatory Staff 1401 Main Street, Suite 800 Columbia, SC 29201

PSC SC MAIL / DMS

Re:

Quarterly Report of SCE&G Concerning Construction of V.C. Summer Nuclear Station

Units 2 and 3

Dear Mr. James:

Enclosed please find South Carolina Electric & Gas Company's (the "Company" or "SCE&G") Quarterly Report (the "Report") for the period ending September 30, 2014, related to the construction of V.C. Summer Nuclear Station Units 2 and 3 (the "Units"). This Report is filed pursuant to the Base Load Review Act, S.C. Code Ann. § 58-33-277 (Supp. 2013) and the provisions of Order No. 2009-104(A) of the Public Service Commission of South Carolina (the "Commission").

Because the Report contains certain commercially sensitive information, SCE&G is filing both redacted (Public) and unredacted (Confidential) versions of this Report. For your convenience, SCE&G is providing two (2) copies of the Public version of this Report. In addition, we are providing you with five (5) copies of the Confidential version of this Report. The Confidential version of this Report is being submitted to you pursuant to the Confidentiality Agreement entered into between ORS and SCE&G on July 21, 2009.

SCE&G submits that the information designated as confidential is entitled to protection from public disclosure under the S.C. Rules of Civil Procedure and is exempt from public disclosure under S.C. Code Ann. § 30-4-10, et seq. Accordingly, the Confidential version of this Report contains unredacted versions of **Appendix 2** and **Appendix 3** and is being provided to you pursuant to S.C. Code Ann. § 58-4-55(c) (Supp. 2013), such that ORS may fulfill its statutory obligation under S.C. Code Ann. § 58-33-277(B). SCE&G intends to file the Confidential version of this Report with the Commission and will seek an appropriate protective order.

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Anthony James Office of Regulatory Staff November 10, 2014 page | 2

SCE&G looks forward to working with the ORS in its review and audit of this information. If you have any questions regarding these matters, please advise.

Sincerely,

Belton T. Zeigler

Enclosures

cc: The Honorable Jocelyn Boyd

K. Chad Burgess, Associate General Counsel

Shannon Bowyer Hudson, Esquire

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2008-196-E

RECEIVED

NOV 12 2014

IN RE:

In re:

Combined Application of South Carolina Electric & Gas Company for a Certificate of Environmental Compatibility and Public Convenience and Necessity for a Base Load Review Order for the Construction and Operation of a Nuclear Facility in Jenkinsville, South Carolina PSC SC MAIL / DMS

CERTIFICATE OF SERVICE QUARTERLY REPORT ENDING SEPTEMBER 30, 2014

This is to certify that I have caused to be served this day one (1) copy of the Confidential Version and ten (10) copies of the Public Version of South Carolina Electric & Gas Company's Letter and Quarterly Report Ending September 30, 2014, upon the person named below, via hand delivery and electronic mail to the PSC as listed below:

The Honorable Jocelyn Boyd Chief Clerk and Administrator Public Service Commission of South Carolina 101 Executive Center Drive Columbia, South Carolina 29210 jocelyn.boyd@psc.sc.gov

uzanne M. Crosthwaite

Columbia, South Carolina This 10th day of November, 2014